

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 8, 2022

Company name: TOYO CONSTRUCTION CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1890 URL <https://www.toyo-const.co.jp/>
 Representative: Representative Director, President Kyoji Takezawa
 Executive Officer General Manager,
 Inquiries: Administration Dept. Mamoru Sato TEL 03-6361-5450
 Business Administration Div.
 Scheduled date to file Quarterly Securities Report: February 8, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2021	113,003	(8.7)	5,522	(38.1)	5,467	(36.6)	3,471	(39.1)
Nine months ended December 31, 2020	123,756	(7.0)	8,922	18.0	8,623	15.4	5,698	18.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	36.94		–	
Nine months ended December 31, 2020	60.64		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	136,089	67,370	48.2	698.27
As of March 31, 2021	148,953	65,875	43.1	684.14

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	–	–	25.00	25.00
Year ending March 31, 2022	–	–	–		
Year ending March 31, 2022 (Forecast)				20.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	170,000	(1.7)	9,200	(35.5)	9,100	(35.5)	6,000	(34.6)	63.85

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2021	94,371,183 shares	As of March 31, 2021	94,371,183 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	389,430 shares	As of March 31, 2021	429,978 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	93,971,709 shares	Nine months ended December 31, 2020	93,976,457 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	16,770	25,233
Notes receivable, accounts receivable from completed construction contracts and other	70,177	56,272
Costs on construction contracts in progress	2,763	2,553
Advances paid	5,757	5,657
other account receivable	10,296	3,332
Other	3,265	4,032
Allowance for doubtful accounts	(12)	(10)
Total current assets	109,018	97,071
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,331	13,365
Machinery, vehicles, tools, furniture and fixtures	25,611	25,688
Land	21,592	21,595
Construction in progress	99	178
Accumulated depreciation	(28,300)	(29,175)
Total property, plant and equipment	32,334	31,652
Intangible assets	515	925
Investments and other assets		
Investment securities	2,561	2,629
Deferred tax assets	2,971	2,196
Retirement benefit asset	190	194
Other	1,474	1,544
Allowance for doubtful accounts	(114)	(124)
Total investments and other assets	7,084	6,439
Total non-current assets	39,934	39,018
Total assets	148,953	136,089

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	32,226	35,843
Short-term borrowings	7,841	2,666
Income taxes payable	3,275	135
Advances received on construction contracts in progress	13,126	6,944
Deposits received	2,754	3,253
Accrued consumption taxes	9,150	7,316
Provision for warranties for completed construction	445	405
Provision for loss on construction contracts	147	121
Provision for bonuses	1,011	409
Other	1,554	1,214
Total current liabilities	71,532	58,311
Non-current liabilities		
Long-term borrowings	2,752	2,048
Deferred tax liabilities	127	153
Deferred tax liabilities for land revaluation	2,207	2,207
Other provisions	85	103
Retirement benefit liability	5,807	5,334
Other	564	559
Total non-current liabilities	11,544	10,407
Total liabilities	83,077	68,718
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,057	6,057
Retained earnings	41,419	42,538
Treasury shares	(178)	(161)
Total shareholders' equity	61,348	62,483
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	538	597
Revaluation reserve for land	3,071	3,071
Foreign currency translation adjustment	(19)	(9)
Remeasurements of defined benefit plans	(670)	(518)
Total accumulated other comprehensive income	2,920	3,141
Non-controlling interests	1,606	1,745
Total net assets	65,875	67,370
Total liabilities and net assets	148,953	136,089

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales		
Net sales of completed construction contracts	123,171	112,500
Net sales in sideline businesses	584	503
Total net sales	123,756	113,003
Cost of sales		
Cost of sales of completed construction contracts	108,137	100,267
Cost of sales in sideline businesses	232	209
Total cost of sales	108,369	100,476
Gross profit		
Gross profit on completed construction contracts	15,034	12,233
Gross profit on sideline business	352	293
Total gross profit	15,386	12,526
Selling, general and administrative expenses	6,463	7,004
Operating profit	8,922	5,522
Non-operating income		
Interest income	76	11
Dividend income	36	38
Foreign exchange gains	4	62
Other	44	18
Total non-operating income	161	130
Non-operating expenses		
Interest expenses	108	76
Commitment fees	258	29
Other	94	80
Total non-operating expenses	461	185
Ordinary profit	8,623	5,467
Extraordinary income		
Surrender value of insurance policies	–	14
Gain on sale of investment securities	–	9
Gain on sale of non-current assets	39	6
Total extraordinary income	39	30
Extraordinary losses		
Provision of allowance for doubtful accounts	1	11
Loss on retirement of non-current assets	18	7
Loss on sale of investment securities	96	0
Other	2	–
Total extraordinary losses	119	19
Profit before income taxes	8,543	5,477
Income taxes - current	2,276	1,177
Income taxes - deferred	414	691
Total income taxes	2,691	1,869
Profit	5,851	3,608
Profit attributable to non-controlling interests	152	136
Profit attributable to owners of parent	5,698	3,471

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	5,851	3,608
Other comprehensive income		
Valuation difference on available-for-sale securities	19	60
Deferred gains or losses on hedges	(3)	–
Foreign currency translation adjustment	18	25
Remeasurements of defined benefit plans, net of tax	175	153
Total other comprehensive income	211	238
Comprehensive income	6,062	3,846
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,894	3,692
Comprehensive income attributable to non-controlling interests	168	154